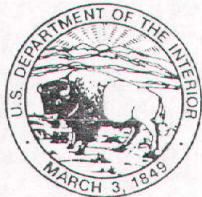


5/03/020



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Salt Lake Field Office
2370 South 2300 West
Salt Lake City, Utah 84119

IN REPLY REFER TO:

3809

UTU-69380

UT-023

Certified Mail Number 7001 2510 0007 1133 9721

Return Receipt Requested

Mr. Gary Mullard
Northern Stone Supply Inc
PO Box 249
Oakley ID 83346

Dear Mr. Mullard,

On May 24, 2002 we received your abbreviated Plan Amendment (Amendment) for quarrying and stockpiling activities on your Turquoise Stone placer mining claims (PMC) and mill sites (MS), located in Section 18, T. 13 N., R. 13 W. In your submitted Amendment, you propose to conduct operations on your Turquoise Stone PMC (UMC 132860), Turquoise Stone #6 PMC (UMC 347331), Turquoise Stone #7 PMC (UMC 347332), Turquoise Stone MS (UMC 132861), Turquoise Stone MS #2 (UMC 347333), Turquoise Stone MS #3 (UMC 347334) and Turquoise Stone MS #4 (UMC 367371).

On June 4, 2002 we requested that you provide additional information to complete your Amendment. On June 13, 2002 we received your response to our request for this additional information. Although you have provided sufficient information for a majority of the items requested, there are still a few points of information required before we can consider your Amendment to be complete:

1. Northern Stone Supply is currently authorized to conduct operations which result in a total surface disturbance of 6.51 acres. This acreage is delineated in the Environmental Assessment (EA) that was prepared for your original Plan of Operations (Plan) and signed by the Authorized Officer on March 30, 1993. This acreage includes 3.099 acres for access roads, 0.884 acres for quarry areas and 2.525 acres for work and living areas. In your submitted Amendment at #2, you state that your operation will cover a total surface disturbance of 4 acres. A field inspection of the area on November 2, 2000 indicated that as of that date, your operation covered a combined surface disturbance of 14.67 acres. In your response to our request for additional information, you suggest that Northern Stone Supply, the Utah Division of Oil, Gas and Mining (UDOGM), and the Bureau of Land Management (BLM) arrive at a consensus as to the present surface disturbance by having a personal meeting and "look at the ground." At our mutual field meeting to occur on July 17, 2002 we will "look at the ground" and make a consensual agreement regarding the total surface disturbance of your existing and proposed mining and milling operation;

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DIVISION OF
OIL, GAS AND MINING

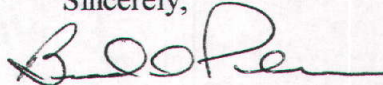
2. In our letter of June 4, 2002 requesting additional information, at #6 and #7, we indicate that your present quarries cover a surface area of 3.11 acres. In your Amendment, you state that no exploration will be conducted and that you "do not propose any future expansion", only "restoration." You do not indicate that the quarries will be expanded, yet you state that you will be mining 5,000 tons per year. It is not clear to us how you can remove such a large volume of material without expanding the dimensions of your quarries. We hereby request that you place either wooden stakes or "t" posts (our preference) along the perimeter of any proposed expansion areas surrounding your quarries. If you choose to maintain the current "footprint" of your existing quarries, then any subsequent expansion would not be addressed in the EA being prepared for your proposed Amendment and therefore would not be permitted in our pending letter of authorization for your Amendment;
3. In your submitted Amendment and letter relating to reclamation of the mine at the conclusion of operations (#9), you fail to provide a complete reclamation plan, as required at 43 CFR 3809.420. Please understand that if you do not provide specific information to completely reclaim the mine site, this information will be generated in the EA for your Amendment. In addition, your final reclamation bond would cover the following costs:
 - 1) road reclamation, which would include pulling all of the side cast material back into the roadway to replicate the original topography;
 - 2) the costs associated with covering the reclaimed access road with stockpiled topsoil (or the costs associated with bringing in new topsoil if none was saved during the course of operations);
 - 3) the costs for seed and broadcasting the seed;
 - 4) the costs associated with ripping and scarifying all of the mill site areas where the surface has become compacted with heavy equipment;
 - 5) the costs associated with covering the mill site areas with topsoil (or the costs associated with bringing in new topsoil if none was saved during the course of operations); and
 - 6) the costs associated with the removal of all buildings, vault toilet, scale, grizzlys and crushers, concrete foundations and concrete storage bins (and the costs associated with bringing in new topsoil if none was saved during the course of operations).

One point you should consider is if there are areas within the mine site (e.g. access roads, vehicle yarding areas, stockpile areas, old pits and/or trenches, etc.) that are no longer needed to support the operation, your reclamation bond liability will include these areas of surface disturbance unless you have submitted a proposal to reclaim these idle or abandoned sites;

4. In your submitted Amendment letter of June 13, 2002, at #10, you indicate that the access roads were in existence prior to 1955. Please be advised that if an operator continues to use and maintain an access road or roads as part of their current operation, the costs associated with reclaiming these roads must be included in the reclamation bond. At #10(B), you indicate that if you "intend to work in quarry areas other than those designated on the current maps, we will notify you (the BLM)." Please be advised that your present Amendment and the EA which will be prepared for the Amendment will only address your current proposal. The reclamation bond which will be required for your current proposal and the existing surface disturbance would only cover those areas provided for in your Amendment. Any additional surface disturbance or expansion of your proposed operation will require a separate Plan Amendment and an additional reclamation bond prior to conducting these activities. This is why we encourage you to propose a mining and reclamation plan which will suit your needs into the foreseeable future.

We appreciate your cooperation and ask that you provide the requested information within 30 days of receipt of this letter. We may have additional requests for information as your Amendment is developed. If you have any questions or require additional information, please feel free to contact Michael Ford of my staff at (801) 977-4360.

Sincerely,



Brad D. Palmer
Assistant Field Manager
Non-Renewable Resources

Enclosures

cc: John S. Kirkham

D. Wayne Hedberg